

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 968

S.P. 366

Received by the Secretary, March 6, 1991

Referred to the Committee on Labor and 1400 ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator ESTY of Cumberland

Cosponsored by Representative CLARK of Brunswick, Representative RAND of Portland
and Speaker MARTIN of Eagle Lake.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

**An Act to Improve and Expand Job Training Opportunities for Maine
Citizens.**

(EMERGENCY)

Printed on recycled paper



Emergency preamble. Whereas, Acts of the Legislature do not
2 become effective until 90 days after adjournment unless enacted
as emergencies; and

4
Whereas, funds available to provide job training
6 opportunities to Maine citizens are severely inadequate to meet
the need and demand for that training; and

8
Whereas, adjustment to the Unemployment Compensation Fund
10 financing mechanisms is necessary to ensure solvency and avoid
costly borrowing; and

12
Whereas, in the judgment of the Legislature, these facts
14 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
16 necessary for the preservation of the public peace, health and
safety; now, therefore,

18
Be it enacted by the People of the State of Maine as follows:

20
Sec. 1. 26 MRSA §1043, sub-§19, ¶A, as amended by PL 1983, c.
22 13, §2, is further amended to read:

24 A. For purposes of section 1221, the term "wages" shall
26 does not include that part of remuneration which after
remuneration equal to \$3,000 through December 31, 1971,
28 \$4,200 through December 31, 1977, \$6,000 through December
31, 1982, and ~~on and after January 1, 1983, that part of~~
30 ~~remuneration equal to~~ \$7,000 through December 31, 1990,
\$8,000 through December 31, 1991, and on January 1, 1992 and
32 thereafter that part of remuneration equal to 42% of the
annual average weekly wage multiplied by 52 for the calendar
34 year immediately preceding the most recently completed
36 calendar year rounded to the nearest multiple of \$100 has
38 been paid in a calendar year to an individual by an employer
or his predecessor with respect to employment during any
40 calendar year, is paid to the individual by the employer
42 during that calendar year, unless that part of the
remuneration is subject to a tax under a federal law
44 imposing a tax against which credit may be taken for
contributions required to be paid into a state unemployment
46 fund. The wages of an individual for employment with an
employer shall ~~be~~ are subject to this exception whether
earned in this State or any other state when the
employer-employee relationship is between the same legal
entities;

48 Sec. 2. 26 MRSA §1043, sub-§31 is enacted to read:

50 31. Job training contributions. "Job training
contributions" means those money payments required under section

2 1221, subsection 2-A to be made into the Job Training Fund by any
3 contributing employer.

4 **Sec. 3. 26 MRSA §1166 is enacted to read:**

6 **§1166. Job Training Fund**

8 There is created in the State Treasury a special nonlapsing
9 fund known as the Job Training Fund. All job training
10 contributions required under section 1221, subsection 2-A must be
11 paid into this fund. All money in the fund must be deposited,
12 administered and distributed in the same manner and under the
13 same conditions and requirements as are provided by law for other
14 special funds in the State Treasury. Interest, income and
15 dividends from the investment of the fund must be credited to the
16 fund.

18 The money in the Job Training Fund must be expended
19 exclusively to further the purposes of the Strategic Training for
20 Accelerated Reemployment program by the Department of Labor in
21 accordance with section 2015-A, subsection 2 and the Additional
22 Support for People in Retraining and Education program by the
23 Department of Human Services in accordance with Title 22, section
24 3781, subsection 2, and must be allocated annually between both
25 departments, each receiving a share proportional to the total of
26 all other funds available to both programs. The bureau may use
27 up to 1% of the money in the Job Training Fund for grant
28 administration. The money in this fund may not be expended to
29 supplant any other federal or state funds otherwise available for
30 these programs.

32 **Sec. 4. 26 MRSA §1196, sub-§1, ¶B, as enacted by PL 1985, c.**
33 **591, §5, is amended to read:**

34 B. An individual who has been terminated or who has
35 received a notice of termination of employment, as a result
36 of any permanent closure of, or any substantial layoff at, a
37 plant or facility; or

40 **Sec. 5. 26 MRSA §1196, sub-§3, as amended by PL 1987, c. 570,**
41 **§4, is repealed.**

42 **Sec. 6. 26 MRSA §1221, sub-§1, ¶A, as amended by PL 1979, c.**
43 **651, §24, is further amended to read:**

44 A. Contributions shall accrue and become payable by each
45 employer subject to this chapter, other than those liable
46 for payments in lieu of contributions, for each calendar
47 year in which he the employer is subject to this chapter,
48 with respect to wages for employment, as defined in section
49 1043, subsection 11. Such contributions shall become due and
50 must be paid by each employer to the bureau for ~~the-fund~~

2 either the Unemployment Compensation Fund or the Job
4 Training Fund, as provided for in subsection 2-A, in
6 accordance with such regulations as the commission may
8 prescribe, and shall may not be deducted, in whole or in
10 part, from the wages of individuals-in-his-employ employees.

12 **Sec. 7. 26 MRSA §1221, sub-§2-A is enacted to read:**

14 2-A. Job training contribution. In addition to any other
16 contribution required by this section, all employers liable for
18 contributions under this chapter, except any employer that has
20 elected to make payments in lieu of contributions pursuant to
22 subsection 11 or the State or any political subdivision of the
24 State, shall make contributions to the Job Training Fund equal to
26 .001 of that employer's total wages paid in the preceding
28 calendar year. No job training contributions may be credited to
30 any employer's experience rating record.

32 **Sec. 8. 26 MRSA §1221, sub-§4, ¶B, as amended by PL 1983, c.**
34 **753, §3, is further amended to read:**

36 B. Subject to paragraph A, each employer's contribution
38 rate for the 12-month period commencing January 1st of each
40 year shall-be is based upon his the employer's experience
42 rating record and determined from his the employer's reserve
44 ratio, which is the percent obtained by dividing the amount
46 by which, if any, his the employer's contributions credited
from the time he the employer first or most recently became
an employer, whichever date is later, and up to and
including June 30th of the preceding year, including any
part of his the employer's contributions due for that year
payable on or before July 31st of the preceding year, exceed
his the employer's benefits charged during the same period,
by his the employer's average annual payroll for the
36-consecutive-month period ending June 30th of the
preceding year. His The employer's contribution rate is the
percent shown on the line of the following table on which in
column A there is indicated his the employer's reserve ratio
and under the schedule within which the reserve multiple
falls as of September 30th of each year. The following table
will apply for each 12-month period commencing January 1st
of each year as determined by paragraph C. Notwithstanding
any other provisions of this paragraph, each employer's
contribution rate computed and effective as of July 1, 1981,
shall-be is for the 6-month period ending December 31, 1981.

48 EMPLOYER'S CONTRIBUTION RATE IN PERCENT OF WAGES

2	Employer		When Reserve Multiple is:							
	Reserve Ratio		2.37-	2.23-	2.09-	1.95-	1.81-	1.67-	1.53-	
4	Equal to or Less	over	2.50	2.36	2.22	2.08	1.94	1.80	1.66	
6	Column A	Schedules								
		A	B	C	D	E	F	G	H	
8	19.0% and over	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	
	18.0%	19.0%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	
10	17.0%	18.0%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	
	16.0%	17.0%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	
12	15.0%	16.0%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	
	14.0%	15.0%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	
14	13.0%	14.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	
	12.0%	13.0%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	
16	11.0%	12.0%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	
	10.0%	11.0%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%	
18	9.0%	10.0%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	
	8.0%	9.0%	1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	
20	7.0%	8.0%	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	2.3%	
	6.0%	7.0%	1.8%	1.9%	2.0%	2.1%	2.2%	2.3%	2.4%	
22	5.0%	6.0%	1.9%	2.0%	2.1%	2.2%	2.3%	2.4%	2.5%	
	4.0%	5.0%	2.0%	2.1%	2.2%	2.3%	2.4%	2.5%	2.6%	
24	3.0%	4.0%	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%	2.8%	
	2.0%	3.0%	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	
26	1.0%	2.0%	2.6%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%	
	.0%	1.0%	2.8%	2.9%	3.0%	3.1%	3.2%	3.3%	3.4%	
28	-1.0%	.0%	3.0%	3.1%	3.2%	3.3%	3.4%	3.5%	3.6%	
	-2.0%	-1.0%	3.1%	3.2%	3.3%	3.4%	3.5%	3.6%	3.7%	
30	-3.0%	-2.0%	3.2%	3.3%	3.4%	3.5%	3.6%	3.7%	3.8%	
	-4.0%	-3.0%	3.3%	3.4%	3.5%	3.6%	3.7%	3.8%	3.9%	
32	-5.0%	-4.0%	3.4%	3.5%	3.6%	3.7%	3.8%	3.9%	4.0%	
	-6.0%	-5.0%	3.5%	3.6%	3.7%	3.8%	3.9%	4.0%	4.1%	
34	-7.0%	-6.0%	3.6%	3.7%	3.8%	3.9%	4.0%	4.1%	4.2%	
	-8.0%	-7.0%	3.7%	3.8%	3.9%	4.0%	4.1%	4.2%	4.3%	
36	-9.0%	-8.0%	3.8%	3.9%	4.0%	4.1%	4.2%	4.3%	4.4%	
	-10.0%	-9.0%	4.0%	4.1%	4.2%	4.3%	4.4%	4.5%	4.6%	
38	-11.0%	-10.0%	4.2%	4.3%	4.4%	4.5%	4.6%	4.7%	4.8%	
	-12.0%	-11.0%	4.4%	4.5%	4.6%	4.7%	4.8%	4.9%	5.0%	
40	under	-12.0%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	

42

EMPLOYER'S CONTRIBUTION RATE IN PERCENT OF WAGES

44

46

Employer

Reserve Ratio

When Reserve Multiple is:

48	Equal to	Less	1.39-	1.25-	1.11-	.97-	.83-	.68-	.45-	under	under
	or more	than	1.52	1.38	1.24	1.10	.96	.82	.67	.45	.22
50	than									.22-	
										.44	

	Column A	Schedules								
		I	J	K	L	M	N	O	P	Q
2	19.0% and over	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.4%	<u>3.4%</u>
4	18.0% 19.0%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%	2.5%	<u>3.5%</u>
	17.0% 18.0%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	2.6%	<u>3.6%</u>
6	16.0% 17.0%	1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	2.7%	<u>3.7%</u>
	15.0% 16.0%	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	2.3%	2.8%	<u>3.8%</u>
8	14.0% 15.0%	1.8%	1.9%	2.0%	2.1%	2.2%	2.3%	2.4%	2.9%	<u>3.9%</u>
	13.0% 14.0%	1.9%	2.0%	2.1%	2.2%	2.3%	2.4%	2.5%	3.0%	<u>4.0%</u>
10	12.0% 13.0%	2.0%	2.1%	2.2%	2.3%	2.4%	2.5%	2.6%	3.1%	<u>4.1%</u>
	11.0% 12.0%	2.1%	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%	3.2%	<u>4.2%</u>
12	10.0% 11.0%	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%	2.8%	3.3%	<u>4.3%</u>
	9.0% 10.0%	2.3%	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.4%	<u>4.4%</u>
14	8.0% 9.0%	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.5%	<u>4.5%</u>
	7.0% 8.0%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.1%	3.6%	<u>4.6%</u>
16	6.0% 7.0%	2.6%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%	3.7%	<u>4.7%</u>
	5.0% 6.0%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%	3.3%	3.8%	<u>4.8%</u>
18	4.0% 5.0%	2.8%	2.9%	3.0%	3.1%	3.2%	3.3%	3.4%	3.9%	<u>4.9%</u>
	3.0% 4.0%	3.0%	3.1%	3.2%	3.3%	3.4%	3.5%	3.6%	4.1%	<u>5.1%</u>
20	2.0% 3.0%	3.2%	3.3%	3.4%	3.5%	3.6%	3.7%	3.8%	4.3%	<u>5.3%</u>
	1.0% 2.0%	3.4%	3.5%	3.6%	3.7%	3.8%	3.9%	4.0%	4.5%	<u>5.5%</u>
22	.0% 1.0%	3.6%	3.7%	3.8%	3.9%	4.0%	4.1%	4.2%	4.7%	<u>5.7%</u>
	-1.0% .0%	3.8%	3.9%	4.0%	4.1%	4.2%	4.3%	4.4%	4.9%	<u>5.9%</u>
24	-2.0% -1.0%	3.9%	4.0%	4.1%	4.2%	4.3%	4.4%	4.5%	5.0%	<u>6.0%</u>
	-3.0% -2.0%	4.0%	4.1%	4.2%	4.3%	4.4%	4.5%	4.6%	5.1%	<u>6.1%</u>
26	-4.0% -3.0%	4.1%	4.2%	4.3%	4.4%	4.5%	4.6%	4.7%	5.2%	<u>6.2%</u>
	-5.0% -4.0%	4.2%	4.3%	4.4%	4.5%	4.6%	4.7%	4.8%	5.3%	<u>6.3%</u>
28	-6.0% -5.0%	4.3%	4.4%	4.5%	4.6%	4.7%	4.8%	4.9%	5.4%	<u>6.4%</u>
	-7.0% -6.0%	4.4%	4.5%	4.6%	4.7%	4.8%	4.9%	5.0%	5.5%	<u>6.5%</u>
30	-8.0% -7.0%	4.5%	4.6%	4.7%	4.8%	4.9%	5.0%	5.1%	5.6%	<u>6.6%</u>
	-9.0% -8.0%	4.6%	4.7%	4.8%	4.9%	5.0%	5.1%	5.2%	5.7%	<u>6.7%</u>
32	-10.0% -9.0%	4.8%	4.9%	5.0%	5.1%	5.2%	5.3%	5.4%	5.9%	<u>6.9%</u>
	-11.0% -10.0%	5.0%	5.1%	5.2%	5.3%	5.4%	5.5%	5.6%	6.1%	<u>7.1%</u>
34	-12.0% -11.0%	5.2%	5.3%	5.4%	5.5%	5.6%	5.7%	5.8%	6.3%	<u>7.3%</u>
	under -12.0%	5.4%	5.5%	5.6%	5.7%	5.8%	5.9%	6.0%	6.5%	<u>7.5%</u>

36 **Sec. 9. 26 MRSA §1221, sub-§4, ¶C**, as amended by PL 1981, c. 16,
38 §2, is further amended to read:

40 C. To designate the contribution rate schedule to be
42 effective for a rate year, a reserve multiple shall and a fund
44 benefit ratio must be determined. The reserve multiple shall
46 be is determined by dividing the fund reserve ratio by the
48 composite cost rate. The determination date shall--be is
September 30th of each calendar year, and the schedule of
contribution rates to apply for the 12-month period
commencing January 1st, shall--be-as is determined by this
reserve multiple, except that:

50 (1) If the fund benefit ratio is .5 or less, rate
52 schedule Q in paragraph B is in effect; or

2 (2) If the fund benefit ratio is greater than .5 and
4 less than 1.0, rate schedule P in paragraph B is in
 effect, unless the reserve multiple is under .22, in
 which case rate schedule Q is in effect.

6 Sec. 10. 26 MRSA §1221, sub-§6, ¶J is enacted to read:

8 J. "Fund benefit ratio" is a measure of fund reserve
10 adequacy determined by dividing the net balance available in
12 the fund for benefit payments on September 30th of any
 calendar year by the net benefits paid from the fund in the
 12-month period immediately preceding that date.

14 Emergency clause. In view of the emergency cited in the
16 preamble, this Act takes effect when approved, except that
 section 7 takes effect retroactively on January 1, 1991.

18 **STATEMENT OF FACT**

20 This bill accomplishes the following:

22 1. It increases the unemployment compensation taxable wage
24 base from \$7,000 to \$8,000 in calendar year 1991 and establishes
26 it as 42% of the State's average weekly wage thereafter,
 resulting in a wage base income of approximately \$8,300 in 1992;

28 2. It creates the Job Training Fund to receive and
30 distribute employer contributions to the STAR and ASPIRE job
 training programs;

32 3. It amends the definition of "dislocated worker" used to
34 determine eligibility for dislocated worker benefits so that it
36 will be consistent with the definition of that term in the
 federal Job Training Partnership Act and repeals the current
 language in the dislocated worker benefit program requiring that
38 it sunset in February 1992 or when the unemployment compensation
 trust fund reserve multiple falls below .246; and

40 4. It adds an additional contribution rate schedule to the
42 existing schedule to provide greater solvency protection to the
 Unemployment Compensation Fund and requires that the contribution
44 rate schedule be determined by both the existing reserve multiple
 and a new fund benefit ratio.